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SUBJECT: AMBASSADOR'S INTRODUCTORY CALL ON DEPUTY FM
STUBHOLT CENTERS ON HIGH NORTH

Summary

11. (SBU) "High North" issues -- energy, the environment, non-proliferation and cooperation with Russia -- dominated the Ambassador's January 25 introductory call on Deputy Foreign Minister Liv Monica Stubholt. Stubholt stressed that the new government's High North policy was national, rather than regional, in scope, and that its fundamental objectives were international in nature. Norway, said Stubholt, was cognizant that it could not achieve its goals in the High North alone -- international dialogue and cooperation were necessary to address such key High North issues as bringing the region's significant energy resources to market in an environmentally sound manner and protecting its fish stocks. Russia's role would be critical, particularly given the anticipated development of its Barents Sea energy resources. Stubholt emphasized that the timing was right for discussing with Norway's international partners, including the United States, how best to manage the interrelated High North issues of energy development and transport, the environment, climate change and non-proliferation. The Ambassador, who will visit the High North region next week, told Stubholt he looked forward to continuing a productive bilateral High North dialogue and hoped to find practical ways to contribute to policy successes in the region that served both nation's interests. End Summary

National Policy, International Objectives

12. (SBU) Stubholt, one of two Deputy FMs who share the High North portfolio, told the Ambassador that the new government's ambition was to transform High North policy from its former regional focus into a national policy with "international objectives." The stronger national emphasis on High North policy was intended to benefit all of society, not just the northern provinces. Recognizing that it could not achieve its goals in the High North alone, Norway's international objectives were to open a multilateral dialogue and attain an international "meeting of the minds" on key issues, e.g. protecting the environment, maintaining fish stocks, and developing energy resources. Pollutants and fish, noted Stubholt, do not respect borders.

Importance of Regional and Human Dimensions

- 13. (SBU) Though Norway's High North policy was international in scope, Stubholt emphasized its important regional aspects. The new government was giving greater attention to regional policy and providing local officials and the public a stronger voice. Local cooperation and support would be vital to achieving Norway's aims in the High North.
- 14. (SBU) Stubholt also noted High North issues' human dimensions. Birth rates were rising sharply in Hammerfest, for example, because Statoil's multibillion-dollar Snoehvit natural gas project there gave local residents more confidence in their future. Greater High North cooperation with Russia would enhance people-to-people contacts in the region, playing off the reservoir of goodwill toward Russia for liberating the area in World War II.

Interdependence of High North Issues

15. (SBU) Stubholt stressed the interdependence of various High North issues, particularly with respect to

Russia's role. Extracting the region's petroleum resources, for example, raised serious health and

environmental concerns. It was important that Norway work with Russia and other international partners to deal with the impact of developing Russia's High North petroleum resources. Alluding to concerns about increasing Russian oil tanker traffic through the Barents, Stubholt said the "transportation phase" of energy development required greater attention. Key question were what standards would govern petroleum transport to help prevent environmental mishaps and who would impose them, e.g. concerned governments, customers, and/or "the market."

16. (SBU) Stubholt and the Ambassador also discussed the interrelationship between High North non-proliferation and environmental concerns, particularly how the debate over climate change, a matter of obvious concern in the Arctic, had opened the door to the possible resurrection of nuclear power. Though building a nuclear power plant in Norway was inconceivable, Stubholt noted that neighboring Finland was constructing a fifth nuclear power plant with security concerns utmost in mind.

The Time to Discuss the Future is Now

- 17. (SBU) Stubholt stressed that the timing was right for addressing High North issues. Given the long lead times required for developing major energy projects like Russia's Shtokman gas field, there was ample time for deciding how best to bring High North resources to markets in a safe and environmentally-friendly way. Concerned governments could help shape the future but the dialogue should begin now.
- 18. (SBU) The Ambassador agreed that energy would be the most visible and sensitive High North issue. The issue was multidimensional, ranging from global energy security to the human level, given affordable energy's importance to economic development and rising living standards. The Ambassador said he looked forward to continuing a productive bilateral dialogue on High North issues and pledged to cooperate in a practical way to facilitate policy successes that advanced our mutual interests.

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